

AMENDMENTS TO LB 545

(Amendments to Standing Committee amendments, AM1056)

Introduced by Education.

1 1. Strike the original sections and all amendments
2 thereto and insert the following new sections:

3 Section 1. Section 9-812, Reissue Revised Statutes of
4 Nebraska, is amended to read:

5 9-812 (1) All money received from the operation of
6 lottery games conducted pursuant to the State Lottery Act in
7 Nebraska shall be credited to the State Lottery Operation Trust
8 Fund, which fund is hereby created. All payments of the costs
9 of establishing and maintaining the lottery games shall be made
10 from the State Lottery Operation Cash Fund. In accordance with
11 legislative appropriations, money for payments for expenses of the
12 division shall be transferred from the State Lottery Operation
13 Trust Fund to the State Lottery Operation Cash Fund, which fund
14 is hereby created. All money necessary for the payment of lottery
15 prizes shall be transferred from the State Lottery Operation Trust
16 Fund to the State Lottery Prize Trust Fund, which fund is hereby
17 created. The amount used for the payment of lottery prizes shall
18 not be less than forty percent of the dollar amount of the lottery
19 tickets which have been sold.

20 (2) (a) Beginning October 1, 2003, and until July 1, 2009,
21 a portion of the dollar amount of the lottery tickets which have
22 been sold on an annualized basis shall be transferred from the

1 State Lottery Operation Trust Fund to the Education Innovation
2 Fund, the Nebraska Scholarship Fund, the Nebraska Environmental
3 Trust Fund, the Nebraska State Fair Board, and the Compulsive
4 Gamblers Assistance Fund, except that the dollar amount transferred
5 shall not be less than the dollar amount transferred to the funds
6 in fiscal year 2002-03.

7 (b) On and after July 1, 2009, at least twenty-five
8 percent of the dollar amount of the lottery tickets which have been
9 sold on an annualized basis shall be transferred from the State
10 Lottery Operation Trust Fund to the Education Innovation Fund,
11 the Nebraska Scholarship Fund, the Nebraska Environmental Trust
12 Fund, the Nebraska State Fair Board, and the Compulsive Gamblers
13 Assistance Fund.

14 (3) Of the money available to be transferred to the
15 Education Innovation Fund, the Nebraska Scholarship Fund, the
16 Nebraska Environmental Trust Fund, the Nebraska State Fair Board,
17 and the Compulsive Gamblers Assistance Fund:

18 (a) The first five hundred thousand dollars shall be
19 transferred to the Compulsive Gamblers Assistance Fund to be used
20 as provided in section 71-817;

21 (b) Nineteen and three-fourths percent of the money
22 remaining after the payment of prizes and operating expenses and
23 the initial transfer to the Compulsive Gamblers Assistance Fund
24 shall be transferred to the Education Innovation Fund;

25 (c) Twenty-four and three-fourths percent of the money
26 remaining after the payment of prizes and operating expenses and
27 the initial transfer to the Compulsive Gamblers Assistance Fund

1 shall be transferred to the Nebraska Scholarship Fund;

2 (d) Forty-four and one-half percent of the money
3 remaining after the payment of prizes and operating expenses and
4 the initial transfer to the Compulsive Gamblers Assistance Fund
5 shall be transferred to the Nebraska Environmental Trust Fund to be
6 used as provided in the Nebraska Environmental Trust Act;

7 (e) Ten percent of the money remaining after the payment
8 of prizes and operating expenses and the initial transfer to
9 the Compulsive Gamblers Assistance Fund shall be transferred to
10 the Nebraska State Fair Board if the most populous city within
11 the county in which the fair is located provides matching funds
12 equivalent to ten percent of the funds available for transfer. Such
13 matching funds may be obtained from the city and any other private
14 or public entity, except that no portion of such matching funds
15 shall be provided by the state. If the Nebraska State Fair ceases
16 operations, ten percent of the money remaining after the payment
17 of prizes and operating expenses and the initial transfer to the
18 Compulsive Gamblers Assistance Fund shall be transferred to the
19 General Fund; and

20 (f) One percent of the money remaining after the payment
21 of prizes and operating expenses and the initial transfer to the
22 Compulsive Gamblers Assistance Fund shall be transferred to the
23 Compulsive Gamblers Assistance Fund to be used as provided in
24 section 71-817.

25 (4) (a) The Education Innovation Fund is created. At least
26 seventy-five percent of the lottery proceeds allocated to the
27 Education Innovation Fund shall be available for disbursement.

1 (b) For fiscal year 2005-06, the Education Innovation
2 Fund shall be allocated as follows: The first one million dollars
3 shall be transferred to the School District Reorganization Fund,
4 and the remaining amount shall be allocated to the General Fund
5 after operating expenses for the Excellence in Education Council
6 are deducted.

7 (c) For fiscal year 2006-07, the Education Innovation
8 Fund shall be allocated as follows: The first two hundred fifty
9 thousand dollars shall be transferred to the Attracting Excellence
10 to Teaching Program Cash Fund to fund the Attracting Excellence
11 to Teaching Program Act, the next one million dollars shall
12 be transferred to the School District Reorganization Fund, and
13 the amount remaining in the Education Innovation Fund shall be
14 allocated, after administrative expenses, for distance education
15 equipment and incentives pursuant to sections 79-1336 and 79-1337.

16 (d) For fiscal year 2007-08, the Education Innovation
17 Fund shall be allocated as follows: The first five hundred thousand
18 dollars shall be transferred to the Attracting Excellence to
19 Teaching Program Cash Fund to fund the Attracting Excellence to
20 Teaching Program Act, and the amount remaining in the Education
21 Innovation Fund shall be allocated, after administrative expenses,
22 for distance education equipment and incentives pursuant to
23 sections 79-1336 and 79-1337.

24 (e) For fiscal year 2008-09, the Education Innovation
25 Fund shall be allocated as follows: The first seven hundred
26 fifty thousand dollars shall be transferred to the Attracting
27 Excellence to Teaching Program Cash Fund to fund the Attracting

1 Excellence to Teaching Program Act, and the amount remaining in the
2 Education Innovation Fund shall be allocated, after administrative
3 expenses, for distance education equipment and incentives pursuant
4 to sections 79-1336 and 79-1337.

5 (f) For fiscal ~~years~~ year 2009-10, the Education
6 Innovation Fund shall be allocated as follows: Any amounts
7 transferred to the Education Innovation Fund from the School
8 District Reorganization Fund shall be returned to the School
9 District Reorganization Fund first, the next one million dollars
10 shall be transferred to the Attracting Excellence to Teaching
11 Program Cash Fund to fund the Attracting Excellence to Teaching
12 Program Act, and the amount remaining in the Education Innovation
13 Fund shall be allocated, after administrative expenses, for
14 distance education equipment and incentives pursuant to sections
15 79-1336 and 79-1337.

16 (g) For fiscal year 2010-11 through 2015-16, the
17 Education Innovation Fund shall be allocated as follows: The
18 first one million dollars shall be transferred to the Attracting
19 Excellence to Teaching Program Cash Fund to fund the Attracting
20 Excellence to Teaching Program Act, and the amount remaining in the
21 Education Innovation Fund shall be allocated, after administrative
22 expenses, for distance education equipment and incentives pursuant
23 to sections 79-1336 and 79-1337.

24 ~~(g)~~ (h) For fiscal year 2016-17 and each fiscal year
25 thereafter, the Education Innovation Fund shall be allocated, after
26 administrative expenses, for education purposes as provided by the
27 Legislature.

1 (5) Any money in the State Lottery Operation Trust
2 Fund, the State Lottery Operation Cash Fund, the State Lottery
3 Prize Trust Fund, or the Education Innovation Fund available
4 for investment shall be invested by the state investment officer
5 pursuant to the Nebraska Capital Expansion Act and the Nebraska
6 State Funds Investment Act.

7 (6) Unclaimed prize money on a winning lottery ticket
8 shall be retained for a period of time prescribed by rules and
9 regulations. If no claim is made within such period, the prize
10 money shall be used at the discretion of the Tax Commissioner for
11 any of the purposes prescribed in this section.

12 Sec. 2. Section 77-3446, Reissue Revised Statutes of
13 Nebraska, is amended to read:

14 77-3446 Base limitation means the budget limitation rate
15 applicable to school districts and the limitation on growth of
16 restricted funds applicable to other political subdivisions prior
17 to any increases in the rate as a result of special actions
18 taken by a supermajority of any governing board or of any
19 exception allowed by law. The base limitation is two and one-half
20 percent until adjusted, except that the base limitation for school
21 districts for school fiscal years ~~2003-04 and 2004-05 is zero.~~
22 2009-10 through 2012-13 is one and one-half percent. The base
23 limitation may be adjusted annually by the Legislature to reflect
24 changes in the prices of services and products used by school
25 districts and political subdivisions.

26 Sec. 3. Section 79-1001, Reissue Revised Statutes of
27 Nebraska, is amended to read:

1 79-1001 Sections 79-1001 to 79-1033 and sections 15 and
2 16 of this act shall be known and may be cited as the Tax Equity
3 and Educational Opportunities Support Act.

4 Sec. 4. Section 79-1003, Reissue Revised Statutes of
5 Nebraska, is amended to read:

6 79-1003 For purposes of the Tax Equity and Educational
7 Opportunities Support Act:

8 (1) Adjusted general fund operating expenditures means
9 (a) for school fiscal years before school fiscal year 2007-08,
10 general fund operating expenditures as calculated pursuant to
11 subdivision (21) of this section minus the transportation allowance
12 and minus the special receipts allowance, (b) for school fiscal
13 year 2007-08, general fund operating expenditures as calculated
14 pursuant to subdivision (21) of this section minus the sum of
15 the transportation, special receipts, and distance education
16 and telecommunications allowances, (c) for school fiscal year
17 2008-09, the difference of the product of the general fund
18 operating expenditures as calculated pursuant to subdivision (21)
19 of this section multiplied by the cost growth factor calculated
20 pursuant to section 79-1007.10 minus the transportation allowance,
21 special receipts allowance, poverty allowance, limited English
22 proficiency allowance, distance education and telecommunications
23 allowance, elementary site allowance, elementary class size
24 allowance, summer school allowance, and focus school and program
25 allowance, (d) for school fiscal years 2009-10 through 2012-13,
26 the difference of the product of the general fund operating
27 expenditures as calculated pursuant to subdivision (21) of this

1 section multiplied by the cost growth factor calculated pursuant
2 to section 79-1007.10 minus the transportation allowance, special
3 receipts allowance, poverty allowance, limited English proficiency
4 allowance, distance education and telecommunications allowance,
5 elementary site allowance, elementary class size allowance, summer
6 school allowance, instructional time allowance, and focus school
7 and program allowance, and (e) for school fiscal year 2013-14
8 and each school fiscal year thereafter, the difference of the
9 product of the general fund operating expenditures as calculated
10 pursuant to subdivision (21) of this section multiplied by the
11 cost growth factor calculated pursuant to section 79-1007.10
12 minus the transportation allowance, special receipts allowance,
13 poverty allowance, limited English proficiency allowance, distance
14 education and telecommunications allowance, elementary site
15 allowance, summer school allowance, instructional time allowance,
16 and focus school and program allowance;

17 (2) Adjusted valuation means the assessed valuation of
18 taxable property of each local system in the state, adjusted
19 pursuant to the adjustment factors described in section 79-1016.
20 Adjusted valuation means the adjusted valuation for the property
21 tax year ending during the school fiscal year immediately preceding
22 the school fiscal year in which the aid based upon that value is
23 to be paid. For purposes of determining the local effort rate yield
24 pursuant to section 79-1015.01, adjusted valuation does not include
25 the value of any property which a court, by a final judgment from
26 which no appeal is taken, has declared to be nontaxable or exempt
27 from taxation;

1 (3) Allocated income tax funds means the amount of
2 assistance paid to a local system pursuant to section 79-1005.01 or
3 79-1005.02 as adjusted by the minimum levy adjustment pursuant to
4 section 79-1008.02;

5 (4) Average daily attendance of a student who resides on
6 Indian land means average daily attendance of a student who resides
7 on Indian land from the most recent data available on November 1
8 preceding the school fiscal year in which aid is to be paid;

9 (5) Average daily membership means the average daily
10 membership for grades kindergarten through twelve attributable to
11 the local system, as provided in each district's annual statistical
12 summary, and includes the proportionate share of students enrolled
13 in a public school instructional program on less than a full-time
14 basis;

15 (6) Base fiscal year means the first school fiscal year
16 following the school fiscal year in which the reorganization or
17 unification occurred;

18 (7) Board means the school board of each school district;

19 (8) Categorical funds means funds limited to a specific
20 purpose by federal or state law, including, but not limited to,
21 Title I funds, Title VI funds, federal vocational education funds,
22 federal school lunch funds, Indian education funds, Head Start
23 funds, and funds from the Education Innovation Fund;

24 (9) Consolidate means to voluntarily reduce the number of
25 school districts providing education to a grade group and does not
26 include dissolution pursuant to section 79-498;

27 (10) Department means the State Department of Education;

1 (11) District means any Class I, II, III, IV, V, or VI
2 school district;

3 (12) Ensuing school fiscal year means the school fiscal
4 year following the current school fiscal year;

5 (13) Equalization aid means the amount of assistance
6 calculated to be paid to a local system pursuant to sections
7 79-1007.11 to 79-1007.23, 79-1008.01 to 79-1022, and 79-1022.02;

8 (14) Fall membership means the total membership in
9 kindergarten through grade twelve attributable to the local system
10 as reported on the fall school district membership reports for each
11 district pursuant to section 79-528;

12 (15) Fiscal year means the state fiscal year which is the
13 period from July 1 to the following June 30;

14 (16) Formula students means:

15 (a) For school fiscal years prior to school fiscal year
16 2008-09, (i) for state aid certified pursuant to section 79-1022,
17 the sum of fall membership from the school fiscal year immediately
18 preceding the school fiscal year in which the aid is to be paid,
19 multiplied by the average ratio of average daily membership to fall
20 membership for the second school fiscal year immediately preceding
21 the school fiscal year in which aid is to be paid and the prior
22 two school fiscal years, plus qualified early childhood education
23 fall membership plus tuitioned students from the school fiscal year
24 immediately preceding the school fiscal year in which the aid is
25 to be paid and (ii) for final calculation of state aid pursuant to
26 section 79-1065, the sum of average daily membership plus qualified
27 early childhood education average daily membership plus tuitioned

1 students from the school fiscal year immediately preceding the
2 school fiscal year in which the aid was paid; and

3 (b) For school fiscal year 2008-09 and each school fiscal
4 year thereafter, (i) for state aid certified pursuant to section
5 79-1022, the sum of the product of fall membership from the school
6 fiscal year immediately preceding the school fiscal year in which
7 the aid is to be paid multiplied by the average ratio of average
8 daily membership to fall membership for the second school fiscal
9 year immediately preceding the school fiscal year in which the aid
10 is to be paid and the prior two school fiscal years plus sixty
11 percent of the qualified early childhood education fall membership
12 plus tuitioned students from the school fiscal year immediately
13 preceding the school fiscal year in which aid is to be paid minus
14 the product of the number of students enrolled in kindergarten that
15 is not full-day kindergarten from the fall membership multiplied by
16 0.5 and (ii) for final calculation of state aid pursuant to section
17 79-1065, the sum of average daily membership plus sixty percent of
18 the qualified early childhood education average daily membership
19 plus tuitioned students minus the product of the number of students
20 enrolled in kindergarten that is not full-day kindergarten from the
21 average daily membership multiplied by 0.5 from the school fiscal
22 year immediately preceding the school fiscal year in which aid was
23 paid;

24 (17) Free lunch and free milk student means a student
25 who qualified for free lunches or free milk from the most recent
26 data available on November 1 of the school fiscal year immediately
27 preceding the school fiscal year in which aid is to be paid;

1 (18) Full-day kindergarten means kindergarten offered by
2 a district for at least one thousand thirty-two instructional
3 hours;

4 (19) General fund budget of expenditures means the total
5 budget of disbursements and transfers for general fund purposes as
6 certified in the budget statement adopted pursuant to the Nebraska
7 Budget Act, except that for purposes of the limitation imposed in
8 section 79-1023 and the calculation pursuant to subdivision (2) of
9 section 79-1027.01, the general fund budget of expenditures does
10 not include any special grant funds, exclusive of local matching
11 funds, received by a district;

12 (20) General fund expenditures means all expenditures
13 from the general fund;

14 (21) General fund operating expenditures means:

15 (a) For state aid calculated for school fiscal years
16 prior to school fiscal year 2008-09, the total general fund
17 expenditures minus categorical funds, tuition paid, transportation
18 fees paid to other districts, adult education, summer school,
19 community services, redemption of the principal portion of general
20 fund debt service, retirement incentive plans, staff development
21 assistance, and transfers from other funds into the general fund
22 for the second school fiscal year immediately preceding the school
23 fiscal year in which aid is to be paid as reported on the annual
24 financial report prior to December 1 of the school fiscal year
25 immediately preceding the school fiscal year in which aid is to be
26 paid;

27 (b) For state aid calculated for school fiscal year

1 2008-09, as reported for the second school fiscal year immediately
2 preceding the school fiscal year in which aid is to be paid
3 on the annual financial report submitted prior to December
4 1 of the school fiscal year immediately preceding the school
5 fiscal year in which aid is to be paid, the total general
6 fund expenditures minus (i) the amount of all receipts to
7 the general fund, to the extent that such receipts are not
8 included in local system formula resources, from early childhood
9 education tuition, summer school tuition, educational entities as
10 defined in section 79-1201.01 for providing distance education
11 courses through the Educational Service Unit Coordinating Council
12 to such educational entities, private foundations, individuals,
13 associations, charitable organizations, the textbook loan program
14 authorized by section 79-734, and federal impact aid, (ii)
15 the amount of expenditures for categorical funds, tuition paid,
16 transportation fees paid to other districts, adult education,
17 community services, redemption of the principal portion of general
18 fund debt service, retirement incentive plans authorized by section
19 79-855, and staff development assistance authorized by section
20 79-856, and (iii) the amount of any transfers from the general fund
21 to any bond fund and transfers from other funds into the general
22 fund;

23 (c) For state aid calculated for school fiscal year
24 2009-10, as reported for the second school fiscal year immediately
25 preceding the school fiscal year in which aid is to be paid
26 on the annual financial report submitted prior to December
27 1 of the school fiscal year immediately preceding the school

1 fiscal year in which aid is to be paid, the total general
2 fund expenditures minus (i) the amount of all receipts to
3 the general fund, to the extent that such receipts are not
4 included in local system formula resources, from early childhood
5 education tuition, summer school tuition, educational entities as
6 defined in section 79-1201.01 for providing distance education
7 courses through the Educational Service Unit Coordinating Council
8 to such educational entities, private foundations, individuals,
9 associations, charitable organizations, the textbook loan program
10 authorized by section 79-734, and federal impact aid, (ii)
11 the amount of expenditures for categorical funds, tuition paid,
12 transportation fees paid to other districts, adult education,
13 community services, redemption of the principal portion of general
14 fund debt service, retirement incentive plans authorized by section
15 79-855, and staff development assistance authorized by section
16 79-856, (iii) the amount of any transfers from the general fund to
17 any bond fund and transfers from other funds into the general fund,
18 and (iv) any legal expenses in excess of fifteen-hundredths of one
19 percent of the formula need for the school fiscal year in which the
20 expenses occurred; and

21 (d) For state aid calculated for school fiscal year
22 2010-11 and each school fiscal year thereafter, as reported for
23 the second school fiscal year immediately preceding the school
24 fiscal year in which aid is to be paid on the annual financial
25 report submitted prior to December 1 of the school fiscal year
26 immediately preceding the school fiscal year in which aid is to be
27 paid, the total general fund expenditures minus (i) the amount of

1 all receipts to the general fund, to the extent that such receipts
2 are not included in local system formula resources, from early
3 childhood education tuition, summer school tuition, educational
4 entities as defined in section 79-1201.01 for providing distance
5 education courses through the Educational Service Unit Coordinating
6 Council to such educational entities, private foundations,
7 individuals, associations, charitable organizations, the textbook
8 loan program authorized by section 79-734, federal impact aid,
9 and levy override elections pursuant to section 77-3444, (ii)
10 the amount of expenditures for categorical funds, tuition paid,
11 transportation fees paid to other districts, adult education,
12 community services, redemption of the principal portion of general
13 fund debt service, retirement incentive plans authorized by section
14 79-855, and staff development assistance authorized by section
15 79-856, (iii) the amount of any transfers from the general fund to
16 any bond fund and transfers from other funds into the general fund,
17 ~~and~~ (iv) any legal expenses in excess of fifteen-hundredths of one
18 percent of the formula need for the school fiscal year in which
19 the expenses occurred, (v) expenditures to pay for sums agreed to
20 be paid by a school district to certificated employees in exchange
21 for a voluntary termination occurring prior to July 1, 2009, and
22 (vi) (A) expenditures in school fiscal years 2009-10 through 2013-14
23 to pay for employer contributions pursuant to subsection (2) of
24 section 79-958 to the School Retirement System of the State of
25 Nebraska to the extent that such expenditures exceed the employer
26 contributions under such subsection that would have been made at a
27 contribution rate of seven and thirty-five hundredths percent or

1 (B) expenditures in school fiscal years 2009-10 through 2013-14
2 to pay for school district contributions pursuant to subdivision
3 (1)(b)(i) of section 79-9,113 to the Class V School Employees
4 Retirement System to the extent that such expenditures exceed the
5 school district contributions under such subdivision that would
6 have been made at a contribution rate of seven and thirty-seven
7 hundredths percent.

8 For purposes of this subdivision (21) of this section,
9 receipts from levy override elections shall equal ninety-nine
10 percent of the difference of the total general fund levy minus
11 a levy of one dollar and five cents per one hundred dollars of
12 taxable valuation multiplied by the assessed valuation for school
13 districts that have voted pursuant to section 77-3444 to override
14 the maximum levy provided pursuant to section 77-3442;

15 (22) High school district means a school district
16 providing instruction in at least grades nine through twelve;

17 (23) Income tax liability means the amount of the
18 reported income tax liability for resident individuals pursuant
19 to the Nebraska Revenue Act of 1967 less all nonrefundable credits
20 earned and refunds made;

21 (24) Income tax receipts means the amount of income tax
22 collected pursuant to the Nebraska Revenue Act of 1967 less all
23 nonrefundable credits earned and refunds made;

24 (25) Limited English proficiency students means (a) for
25 school fiscal years prior to school fiscal year 2009-10, the number
26 of students with limited English proficiency in a district from
27 the most recent data available on November 1 of the school fiscal

1 year preceding the school fiscal year in which aid is to be paid
2 and (b) for school fiscal year 2009-10 and each school fiscal year
3 thereafter, the number of students with limited English proficiency
4 in a district from the most recent data available on November 1 of
5 the school fiscal year preceding the school fiscal year in which
6 aid is to be paid plus the difference of such students with limited
7 English proficiency minus the average number of limited English
8 proficiency students for such district, prior to such addition,
9 for the three immediately preceding school fiscal years if such
10 difference is greater than zero;

11 (26) Local system means a learning community, a unified
12 system, a Class VI district and the associated Class I districts,
13 or a Class II, III, IV, or V district and any affiliated Class
14 I districts or portions of Class I districts. The membership,
15 expenditures, and resources of Class I districts that are
16 affiliated with multiple high school districts will be attributed
17 to local systems based on the percent of the Class I valuation that
18 is affiliated with each high school district;

19 (27) Low-income child means (a) for school fiscal years
20 prior to 2008-09, a child under nineteen years of age living in
21 a household having an annual adjusted gross income of fifteen
22 thousand dollars or less for the second calendar year preceding
23 the beginning of the school fiscal year for which aid is being
24 calculated and (b) for school fiscal year 2008-09 and each school
25 fiscal year thereafter, a child under nineteen years of age living
26 in a household having an annual adjusted gross income for the
27 second calendar year preceding the beginning of the school fiscal

1 year for which aid is being calculated equal to or less than the
2 maximum household income that would allow a student from a family
3 of four people to be a free lunch and free milk student during the
4 school fiscal year immediately preceding the school fiscal year for
5 which aid is being calculated;

6 (28) Low-income students means the number of low-income
7 children within the district multiplied by the ratio of the formula
8 students in the district divided by the total children under
9 nineteen years of age residing in the district as derived from
10 income tax information;

11 (29) Most recently available complete data year means
12 the most recent single school fiscal year for which the annual
13 financial report, fall school district membership report, annual
14 statistical summary, Nebraska income tax liability by school
15 district for the calendar year in which the majority of the school
16 fiscal year falls, and adjusted valuation data are available;

17 (30) Poverty students means (a) for school fiscal years
18 prior to school fiscal year 2009-10, the number of low-income
19 students or the number of students who are free lunch and free milk
20 students in a district, whichever is greater, and (b) for school
21 fiscal year 2009-10 and each school fiscal year thereafter, the
22 number of low-income students or the number of students who are
23 free lunch and free milk students in a district plus the difference
24 of the number of low-income students or the number of students
25 who are free lunch and free milk students in a district, whichever
26 is greater, minus the average number of poverty students for
27 such district, prior to such addition, for the three immediately

1 preceding school fiscal years if such difference is greater than
2 zero;

3 (31) Qualified early childhood education average daily
4 membership means the product of the average daily membership for
5 school fiscal year 2006-07 and each school fiscal year thereafter
6 of students who will be eligible to attend kindergarten the
7 following school year and are enrolled in an early childhood
8 education program approved by the department pursuant to section
9 79-1103 for such school district for such school year multiplied by
10 the ratio of the actual instructional hours of the program divided
11 by one thousand thirty-two if: (a) The program is receiving a grant
12 pursuant to such section for the third year; (b) the program has
13 already received grants pursuant to such section for three years;
14 or (c) the program has been approved pursuant to subsection (5) of
15 section 79-1103 for such school year and the two preceding school
16 years, including any such students in portions of any of such
17 programs receiving an expansion grant;

18 (32) Qualified early childhood education fall membership
19 means the product of membership on the last Friday in September
20 2006 and each year thereafter of students who will be eligible
21 to attend kindergarten the following school year and are enrolled
22 in an early childhood education program approved by the department
23 pursuant to section 79-1103 for such school district for such
24 school year multiplied by the ratio of the planned instructional
25 hours of the program divided by one thousand thirty-two if: (a)
26 The program is receiving a grant pursuant to such section for the
27 third year; (b) the program has already received grants pursuant to

1 such section for three years; or (c) the program has been approved
2 pursuant to subsection (5) of section 79-1103 for such school year
3 and the two preceding school years, including any such students in
4 portions of any of such programs receiving an expansion grant;

5 (33) Regular route transportation means the
6 transportation of students on regularly scheduled daily routes to
7 and from the attendance center;

8 (34) Reorganized district means any district involved
9 in a consolidation and currently educating students following
10 consolidation;

11 (35) School year or school fiscal year means the fiscal
12 year of a school district as defined in section 79-1091;

13 (36) Sparse local system means a local system that is not
14 a very sparse local system but which meets the following criteria:

15 (a) (i) Less than two students per square mile in the
16 county in which each high school is located, based on the school
17 district census, (ii) less than one formula student per square
18 mile in the local system, and (iii) more than ten miles between
19 each high school attendance center and the next closest high school
20 attendance center on paved roads;

21 (b) (i) Less than one and one-half formula students per
22 square mile in the local system and (ii) more than fifteen miles
23 between each high school attendance center and the next closest
24 high school attendance center on paved roads;

25 (c) (i) Less than one and one-half formula students per
26 square mile in the local system and (ii) more than two hundred
27 seventy-five square miles in the local system; or

1 (d) (i) Less than two formula students per square mile in
2 the local system and (ii) the local system includes an area equal
3 to ninety-five percent or more of the square miles in the largest
4 county in which a high school attendance center is located in the
5 local system;

6 (37) Special education means specially designed
7 kindergarten through grade twelve instruction pursuant to section
8 79-1125, and includes special education transportation;

9 (38) Special grant funds means the budgeted receipts for
10 grants, including, but not limited to, Title I funds, Title VI
11 funds, funds from the Education Innovation Fund, reimbursements
12 for wards of the court, short-term borrowings including, but
13 not limited to, registered warrants and tax anticipation notes,
14 interfund loans, insurance settlements, and reimbursements to
15 county government for previous overpayment. The state board shall
16 approve a listing of grants that qualify as special grant funds;

17 (39) State aid means the amount of assistance paid to a
18 district pursuant to the Tax Equity and Educational Opportunities
19 Support Act;

20 (40) State board means the State Board of Education;

21 (41) State support means all funds provided to districts
22 by the State of Nebraska for the general fund support of elementary
23 and secondary education;

24 (42) Statewide average basic funding per formula student
25 means the statewide total basic funding for all districts divided
26 by the statewide total formula students for all districts;

27 (43) Statewide average general fund operating

1 expenditures per formula student means the statewide total
2 general fund operating expenditures for all districts divided by
3 the statewide total formula students for all districts;

4 (44) Teacher has the definition found in section 79-101;

5 (45) Temporary aid adjustment factor means (a) for school
6 fiscal years before school fiscal year 2007-08, one and one-fourth
7 percent of the sum of the local system's transportation allowance,
8 the local system's special receipts allowance, and the product
9 of the local system's adjusted formula students multiplied by
10 the average formula cost per student in the local system's
11 cost grouping and (b) for school fiscal year 2007-08, one and
12 one-fourth percent of the sum of the local system's transportation
13 allowance, special receipts allowance, and distance education and
14 telecommunications allowance and the product of the local system's
15 adjusted formula students multiplied by the average formula cost
16 per student in the local system's cost grouping;

17 (46) Tuitioned students means students in kindergarten
18 through grade twelve of the district whose tuition is paid by the
19 district to some other district or education agency; and

20 (47) Very sparse local system means a local system that
21 has:

22 (a) (i) Less than one-half student per square mile in
23 each county in which each high school attendance center is located
24 based on the school district census, (ii) less than one formula
25 student per square mile in the local system, and (iii) more than
26 fifteen miles between the high school attendance center and the
27 next closest high school attendance center on paved roads; or

1 (b) (i) More than four hundred fifty square miles in the
2 local system, (ii) less than one-half student per square mile in
3 the local system, and (iii) more than fifteen miles between each
4 high school attendance center and the next closest high school
5 attendance center on paved roads.

6 Sec. 5. Section 79-1007.07, Reissue Revised Statutes of
7 Nebraska, is amended to read:

8 79-1007.07 (1) (a) For school fiscal year 2007-08, the
9 annual financial report required pursuant to section 79-528 shall
10 include:

11 (i) The amount of federal funds received based on poverty
12 as defined by the federal program providing the funds; and

13 (ii) The expenditures and sources of funding for each
14 program related to poverty with a narrative description of the
15 program and the method used to allocate money to the program and
16 within the program.

17 (b) The department shall set up accounting codes for the
18 receipts and expenditures required to be reported on the annual
19 financial report pursuant to this subsection. The department shall
20 also determine for each school district an amount that shall
21 be deemed the poverty allowance for purposes of this section.
22 Such amount shall equal the adjustments to the weighted formula
23 students pursuant to subdivision (1) (c) (iii) of section 79-1007.01
24 multiplied by the average formula cost per student in the school
25 district's cost grouping.

26 (2) (a) For school fiscal year 2008-09 and each school
27 fiscal year thereafter, the annual financial report required

1 pursuant to section 79-528 shall include:

2 (i) The amount of the poverty allowance used in the
3 certification of state aid pursuant to section 79-1022 for such
4 school fiscal year;

5 (ii) The amount of federal funds received based on
6 poverty as defined by the federal program providing the funds;

7 (iii) The expenditures and sources of funding for each
8 program related to poverty with a narrative description of the
9 program, the method used to allocate money to the program and
10 within the program, and the program's relationship to the poverty
11 plan submitted pursuant to section 79-1013 for such school fiscal
12 year;

13 (iv) The expenditures and sources of funding for support
14 costs directly attributable to implementing the district's poverty
15 plan; and

16 (v) An explanation of how any required elements of the
17 poverty plan for such school fiscal year were met.

18 (b) The department shall set up accounting codes for the
19 receipts and expenditures required to be reported on the annual
20 financial report pursuant to this subsection.

21 (3) For school fiscal year 2009-10 and each school
22 fiscal year thereafter, the department shall determine the poverty
23 allowance expenditures using the reported expenditures on the
24 annual financial report for the most recently available complete
25 data year that would include in the poverty allowance expenditures
26 only those expenditures that were used to specifically address
27 issues related to the education of students living in poverty or

1 to the implementation of the poverty plan, that do not replace
2 expenditures that would have occurred if the students involved in
3 the program did not live in poverty, that are not included in
4 other allowances, and that are paid for with noncategorical funds
5 generated by state or local taxes or funds distributed through the
6 Tax Equity and Educational Opportunities Support Act pursuant to
7 the federal American Recovery and Reinvestment Act of 2009. The
8 department shall establish a procedure to allow school districts to
9 receive preapproval for categories of expenditures that could be
10 included in poverty allowance expenditures.

11 (4) For school fiscal year 2009-10 and each school fiscal
12 year thereafter, if the poverty allowance expenditures do not
13 equal 117.65 percent or more of the poverty allowance for the
14 most recently available complete data year, the department shall
15 calculate a poverty allowance correction. The poverty allowance
16 correction shall equal the poverty allowance minus eighty-five
17 percent of the poverty allowance expenditures. If the poverty
18 allowance expenditures do not equal fifty percent or more of the
19 allowance for such school fiscal year, the school district shall
20 also be disqualified from receiving a poverty allowance for the
21 school fiscal year for which aid is being calculated.

22 (5) For school fiscal year 2010-11 and each school fiscal
23 year thereafter, if the department determines that the school
24 district did not meet the required elements of the poverty plan
25 for the most recently available complete data year, the department
26 shall calculate a poverty allowance correction equal to fifty
27 percent of the poverty allowance for such school fiscal year and

1 the school district shall also be disqualified from receiving a
2 poverty allowance for the school fiscal year for which aid is being
3 calculated. Any poverty allowance correction calculated pursuant to
4 this subsection shall be added to any poverty allowance correction
5 calculated pursuant to subsection (4) of this section to arrive at
6 the total poverty allowance correction.

7 (6) The department may request additional information
8 from any school district to assist with calculations and
9 determinations pursuant to this section. If the school district
10 does not provide information upon the request of the department
11 pursuant to this section, the school district shall be disqualified
12 from receiving a poverty allowance for the school fiscal year for
13 which aid is being calculated.

14 (7) The department shall annually provide the Legislature
15 with a report containing a general description of the expenditures
16 and funding sources for programs related to poverty statewide and
17 specific descriptions of the expenditures and funding sources for
18 programs related to poverty for each school district.

19 (8) The state board shall establish a procedure for
20 appeal of decisions of the department to the state board for a
21 final determination.

22 Sec. 6. Section 79-1007.09, Reissue Revised Statutes of
23 Nebraska, is amended to read:

24 79-1007.09 (1)(a) For school fiscal year 2007-08, the
25 annual financial report required pursuant to section 79-528 shall
26 include:

27 (i) The amount of federal funds received based on

1 students who are limited English proficient as defined by the
2 federal program providing the funds; and

3 (ii) The expenditures and sources of funding for each
4 program related to limited English proficiency with a narrative
5 description of the program and the method used to allocate money to
6 the program and within the program.

7 (b) The department shall set up accounting codes for the
8 receipts and expenditures required to be reported on the annual
9 financial report pursuant to this subsection. The department shall
10 also determine for each school district an amount that shall
11 be deemed the limited English proficiency allowance for purposes
12 of this section. Such amount shall equal the adjustments to the
13 weighted formula students pursuant to subdivision (1)(c)(ii) of
14 section 79-1007.01 multiplied by the average formula cost per
15 student in the school district's cost grouping.

16 (2)(a) For school fiscal year 2008-09 and each school
17 fiscal year thereafter, the annual financial report required
18 pursuant to section 79-528 shall include:

19 (i) The amount of the limited English proficiency
20 allowance used in the certification of state aid pursuant to
21 section 79-1022 for such school fiscal year;

22 (ii) The amount of federal funds received based on
23 students who are limited English proficient as defined by the
24 federal program providing the funds;

25 (iii) The expenditures and sources of funding for each
26 program related to limited English proficiency with a narrative
27 description of the program, the method used to allocate money to

1 the program and within the program, and the program's relationship
2 to the limited English proficiency plan submitted pursuant to
3 section 79-1014 for such school fiscal year;

4 (iv) The expenditures and sources of funding for support
5 costs directly attributable to implementing the district's limited
6 English proficiency plan; and

7 (v) An explanation of how any required elements of the
8 limited English proficiency plan for such school fiscal year were
9 met.

10 (b) The department shall set up accounting codes for the
11 receipts and expenditures required to be reported on the annual
12 financial report pursuant to this subsection.

13 (3) For school fiscal year 2009-10 and each school fiscal
14 year thereafter, the department shall determine the limited English
15 proficiency allowance expenditures using the reported expenditures
16 on the annual financial report for the most recently available
17 complete data year that would only include in the limited English
18 proficiency allowance expenditures those expenditures that were
19 used to specifically address issues related to the education of
20 students with limited English proficiency or to the implementation
21 of the limited English proficiency plan, that do not replace
22 expenditures that would have occurred if the students involved
23 in the program did not have limited English proficiency, that
24 are not included in other allowances, and that are paid for
25 with noncategorical funds generated by state or local taxes
26 or funds distributed through the Tax Equity and Educational
27 Opportunities Support Act pursuant to the federal American Recovery

1 and Reinvestment Act of 2009. The department shall establish a
2 procedure to allow school districts to receive preapproval for
3 categories of expenditures that could be included in limited
4 English proficiency allowance expenditures.

5 (4) For school fiscal year 2009-10 and each school fiscal
6 year thereafter, if the limited English proficiency allowance
7 expenditures do not equal 117.65 percent or more of the limited
8 English proficiency allowance for the most recently available
9 complete data year, the department shall calculate a limited
10 English proficiency allowance correction. The limited English
11 proficiency allowance correction shall equal the limited English
12 proficiency allowance minus eighty-five percent of the limited
13 English proficiency allowance expenditures. If the limited English
14 proficiency allowance expenditures do not equal fifty percent or
15 more of the allowance for such school fiscal year, the school
16 district shall also be disqualified from receiving a limited
17 English proficiency allowance for the school fiscal year for which
18 aid is being calculated.

19 (5) For school fiscal year 2010-11 and each school fiscal
20 year thereafter, if the department determines that the school
21 district did not meet the required elements of the limited English
22 proficiency plan for the most recently available complete data
23 year, the department shall calculate a limited English proficiency
24 allowance correction equal to fifty percent of the limited English
25 proficiency allowance for such school fiscal year and the school
26 district shall also be disqualified from receiving a limited
27 English proficiency allowance for the school fiscal year for which

1 aid is being calculated. Any limited English proficiency allowance
2 correction calculated pursuant to this subsection shall be added
3 to any limited English proficiency allowance correction calculated
4 pursuant to subsection (4) of this section to arrive at the total
5 limited English proficiency allowance correction.

6 (6) The department may request additional information
7 from any school district to assist with calculations and
8 determinations pursuant to this section. If the school district
9 does not provide information upon the request of the department
10 pursuant to this section, the school district shall be disqualified
11 from receiving a limited English proficiency allowance for the
12 school fiscal year for which aid is being calculated.

13 (7) The department shall annually provide the Legislature
14 with a report containing a general description of the expenditures
15 and funding sources for programs related to limited English
16 proficiency statewide and specific descriptions of the expenditures
17 and funding sources for programs related to limited English
18 proficiency for each school district.

19 (8) The state board shall establish a procedure for
20 appeal of decisions of the department to the state board for a
21 final determination.

22 Sec. 7. Section 79-1007.10, Reissue Revised Statutes of
23 Nebraska, is amended to read:

24 79-1007.10 For state aid calculated for ~~school fiscal~~
25 ~~year 2008-09 and each school fiscal year thereafter,~~ all school
26 fiscal years except 2009-10 and 2010-11, the cost growth factor
27 shall equal the sum of: (1) One; plus (2) the basic allowable

1 growth rate pursuant to section 79-1025 for the school fiscal year
2 in which the aid is to be distributed; plus (3) the basic allowable
3 growth rate pursuant to section 79-1025 for the school fiscal year
4 immediately preceding the school fiscal year in which the aid is to
5 be distributed; plus (4) one percent.

6 For state aid calculated for school fiscal years 2009-10
7 and 2010-11, the cost growth factor shall equal one hundred six
8 percent.

9 Sec. 8. Section 79-1007.11, Reissue Revised Statutes of
10 Nebraska, is amended to read:

11 79-1007.11 (1) Except as otherwise provided in this
12 section, for school fiscal year 2008-09, each school district's
13 formula need shall equal the difference of the sum of the school
14 district's basic funding, poverty allowance, limited English
15 proficiency allowance, elementary class size allowance, focus
16 school and program allowance, summer school allowance, special
17 receipts allowance, transportation allowance, elementary site
18 allowance, distance education and telecommunications allowance,
19 averaging adjustment, and teacher education adjustment, minus
20 the sum of the limited English proficiency allowance correction,
21 poverty allowance correction, and local choice adjustment.

22 (2) Except as otherwise provided in this section, for
23 school fiscal years 2009-10 and 2010-11, each school district's
24 formula need shall equal the difference of the sum of the
25 school district's basic funding, poverty allowance, limited
26 English proficiency allowance, elementary class size allowance,
27 focus school and program allowance, summer school allowance,

1 special receipts allowance, transportation allowance, elementary
2 site allowance, instructional time allowance, distance education
3 and telecommunications allowance, averaging adjustment, teacher
4 education adjustment, new learning community transportation
5 adjustment, student growth adjustment, and new school adjustment,
6 minus the sum of the limited English proficiency allowance
7 correction, poverty allowance correction, and local choice
8 adjustment.

9 (3) Except as otherwise provided in this section, for
10 school fiscal years 2011-12 and 2012-13, each school district's
11 formula need shall equal the difference of the sum of the
12 school district's basic funding, poverty allowance, limited
13 English proficiency allowance, elementary class size allowance,
14 focus school and program allowance, summer school allowance,
15 special receipts allowance, transportation allowance, elementary
16 site allowance, instructional time allowance, distance education
17 and telecommunications allowance, averaging adjustment, teacher
18 education adjustment, new learning community transportation
19 adjustment, student growth adjustment, any positive student growth
20 adjustment correction, and new school adjustment, minus the sum
21 of the limited English proficiency allowance correction, poverty
22 allowance correction, any negative student growth adjustment
23 correction, and local choice adjustment.

24 (4) Except as otherwise provided in this section, for
25 school fiscal year 2013-14 and each school fiscal year thereafter,
26 each school district's formula need shall equal the difference of
27 the sum of the school district's basic funding, poverty allowance,

1 limited English proficiency allowance, focus school and program
2 allowance, summer school allowance, special receipts allowance,
3 transportation allowance, elementary site allowance, instructional
4 time allowance, distance education and telecommunications
5 allowance, averaging adjustment, teacher education adjustment,
6 new learning community transportation adjustment, student growth
7 adjustment, any positive student growth adjustment correction,
8 and new school adjustment, minus the sum of the limited English
9 proficiency allowance correction, poverty allowance correction, any
10 negative student growth adjustment correction, and local choice
11 adjustment.

12 (5) If the formula need calculated for a school district
13 pursuant to subsections (1) through (4) of this section is less
14 than one hundred percent of the formula need for such district
15 for the school fiscal year immediately preceding the school fiscal
16 year for which aid is being calculated, the formula need for such
17 district shall equal one hundred percent of the formula need for
18 such district for the school fiscal year immediately preceding the
19 school fiscal year for which aid is being calculated.

20 (6) Except as provided in subsection (8) of this section,
21 if ~~If~~ the formula need calculated for a school district pursuant
22 to subsections (1) through (4) of this section is more than one
23 hundred twelve percent of the formula need for such district for
24 the school fiscal year immediately preceding the school fiscal
25 year for which aid is being calculated, the formula need for such
26 district shall equal one hundred twelve percent of the formula
27 need for such district for the school fiscal year immediately

1 preceding the school fiscal year for which aid is being calculated,
2 except that the formula need shall not be reduced pursuant to
3 this subsection for any district (a) receiving a student growth
4 adjustment for the school fiscal year for which aid is being
5 calculated or (b) for school fiscal year 2008-09, for which
6 the formula students for the certification of aid pursuant to
7 section 79-1022 for school fiscal year 2008-09 minus the formula
8 students for the certification of aid pursuant to section 79-1022
9 for school fiscal year 2007-08 equals at least the greater of
10 twenty-five students or one percent of the formula students for the
11 certification of aid pursuant to section 79-1022 for school fiscal
12 year 2007-08.

13 (7) For purposes of this subsection, subsections (5) and
14 (6) of this section, the formula need for the school fiscal year
15 immediately preceding the school fiscal year for which aid is being
16 calculated shall be the formula need used in the final calculation
17 of aid pursuant to section 79-1065 and for districts that were
18 affected by a reorganization with an effective date in the calendar
19 year preceding the calendar year in which aid is certified for the
20 school fiscal year for which aid is being calculated, the formula
21 need for the school fiscal year immediately preceding the school
22 fiscal year for which aid is being calculated shall be attributed
23 to the affected school districts based on information provided to
24 the department by the school districts or proportionally based on
25 the adjusted valuation transferred if sufficient information has
26 not been provided to the department.

27 (8) For state aid calculated for the first full school

1 fiscal year of a new learning community, if the formula need
2 calculated for a member school district pursuant to subsections
3 (1) through (5) of this section is less than the sum of the
4 school district's state aid certified for the school fiscal year
5 immediately preceding the first full school fiscal year of the
6 learning community plus the school district's other actual receipts
7 included in local system formula resources pursuant to section
8 79-1018.01 for such school fiscal year plus the product of the
9 school district's general fund levy for such school fiscal year up
10 to one dollar and five cents multiplied by the school district's
11 assessed valuation for such school fiscal year, the formula need
12 for such school district for the school fiscal year for which aid
13 is being calculated shall equal such sum.

14 Sec. 10. Section 79-1007.23, Reissue Revised Statutes of
15 Nebraska, is amended to read:

16 79-1007.23 For state aid calculated for school fiscal
17 year 2009-10 and each school fiscal year thereafter:

18 (1) The department shall calculate an instructional time
19 allowance for each district equal to the product of the formula
20 students of such district multiplied by the instructional time
21 factor for such district multiplied by eighty-five percent of the
22 statewide average general fund operating expenditures per formula
23 student;

24 (2) The instructional time factor shall equal the
25 difference of the ratio of the district's average hours of
26 instruction for each full-time student during the regular school
27 year for the most recently available complete data year divided by:

1 (a) For state aid calculated for school fiscal year 2009-10, the
2 comparison group average hours of instruction for each full-time
3 student during the regular school year for the most recently
4 available complete data year minus one; or (b) for state aid
5 calculated for school fiscal year 2010-11 and each school fiscal
6 year thereafter the statewide average hours of instruction for
7 each full-time student during the regular school year for the most
8 recently available complete data year minus one, except that if
9 the result is less than zero, the instructional time factor shall
10 equal zero; and

11 (3) The department shall develop a form for determining
12 the district's average hours of instruction for each full-time
13 student. The comparison group average hours of instruction for each
14 full-time student shall be an average of the averages for the
15 all school districts in the comparison group. The average hours
16 of instruction shall be defined by the department and shall not
17 include extracurricular activities outside of the regular school
18 day or time designated for students to eat lunch. The statewide
19 average hours of instruction for each full-time student shall be an
20 average of the averages for all school districts.

21 Sec. 11. Section 79-1011, Reissue Revised Statutes of
22 Nebraska, is amended to read:

23 79-1011 (1) To encourage consolidation of Class II and
24 III school districts with less than three hundred ninety students,
25 incentives shall be paid to reorganized Class II, III, IV, or V
26 districts resulting from consolidations which meet the requirements
27 of this section. This section shall only apply to consolidations

1 with an effective date after May 31, ~~2005~~, 2009, and before June 1,
2 ~~2007~~, 2011.

3 (2) To qualify for incentive payments under this section,
4 the consolidation must be approved for incentive payments by
5 the State Committee for the Reorganization of School Districts.
6 Consolidating school districts shall file an application with the
7 state committee on or before June 15, 2009, or within thirty days
8 following the issuance of the boundary change order pursuant to
9 subsection (1) of section 79-479, whichever is later. The state
10 committee shall approve or disapprove incentive payments within
11 thirty days after receipt of the application.

12 (3) For incentive payments to be approved by the
13 state committee, a reorganization study, including efficiency,
14 demographic, curriculum, facility, financial, and community
15 components, must be completed prior to the reorganization. If
16 a study containing such elements is has been completed and the
17 study indicates that the reorganization will most likely result
18 in more efficiency in the delivery of educational services or
19 greater educational opportunities, the state committee may approve
20 incentive payments.

21 (4) Incentive payments shall be based on the number of
22 students moving from Class II or III school districts with less
23 than three hundred ninety students into a reorganized Class II,
24 III, IV, or V school district with at least three hundred ninety
25 students based on the average daily membership in each affected
26 district in the school fiscal year immediately preceding the first
27 school fiscal year the boundary change will be in effect and the

1 average daily membership the consolidated district would have had
2 following the boundary change if it had occurred in the school
3 fiscal year immediately preceding the first school fiscal year
4 the boundary change will be in effect. The ~~per-student~~ incentive
5 amount for each district involved in the reorganization having an
6 average daily membership of less than three hundred ninety students
7 shall equal ~~four~~ one hundred twenty-five thousand dollars ~~minus~~
8 plus the product of five hundred dollars per student multiplied by
9 the difference of three hundred ninety students minus the average
10 daily membership in such district, ~~multiplied by the ratio of three~~
11 ~~thousand divided by three hundred ninety.~~ The total incentives for
12 each such district shall equal the district's per-student incentive
13 amount multiplied by the district's average daily membership.

14 ~~(5) For school fiscal years 2005-06 and 2006-07, one~~
15 ~~million dollars shall be transferred from the Education Innovation~~
16 ~~Fund to the School District Reorganization Fund pursuant to section~~
17 ~~9-812.~~

18 ~~(6)~~ (5) Except as otherwise provided in this subsection,
19 base fiscal year incentive payments shall equal fifty percent of
20 the amount calculated pursuant to subsection (4) of this section.
21 Base fiscal year incentive payments shall be calculated as of
22 August 2 immediately preceding the base fiscal year and shall be
23 paid directly to the reorganized district from the School District
24 Reorganization Fund pursuant to subsection ~~(5)~~ (6) of this section.
25 The payments shall be made in ten as nearly as possible equal
26 payments on the last business day of each month, beginning in
27 September and ending the following June, for the base fiscal year.

1 If the total amount of base fiscal year incentive payments for
2 that school fiscal year exceeds the amount in the School District
3 Reorganization Fund, the base fiscal year incentive payments shall
4 be reduced proportionately so that the total amount of base fiscal
5 year incentive payments equals the amount ~~in the fund.~~ of funds
6 so appropriated. The base fiscal year incentive payments shall not
7 be included in local system formula resources as calculated under
8 section 79-1018.01.

9 ~~(7)~~ (6) The amount calculated pursuant to subsection (4)
10 of this section minus the amount of base fiscal year incentive
11 payments pursuant to subsection ~~(6)~~ (5) of this section shall
12 be paid out of any remaining funds in the School District
13 Reorganization Fund after base fiscal year incentive payments.
14 If the total amount of second-year incentive payments exceeds
15 the remaining funds, the second-year incentive payments shall be
16 reduced proportionately so that the total amount of second-year
17 incentive payments equals the amount in the fund. Second-year
18 incentive payments shall not be included in local system formula
19 resources as calculated pursuant to section 79-1018.01. included
20 in the distribution of state aid for the first school fiscal year
21 following the base fiscal year.

22 Sec. 12. Section 79-1012, Reissue Revised Statutes of
23 Nebraska, is amended to read:

24 79-1012 The School District Reorganization Fund is
25 created. The fund shall be administered by the department. The fund
26 shall consist of money transferred from the Education Innovation
27 Fund and shall be used to provide payments to reorganized school

1 districts pursuant to section 79-1011, through June 30, 2008, and
2 to provide temporary funding for aggregation routing equipment
3 and network transport costs for Network Nebraska pursuant to
4 section 86-5,101 through June 30, 2010. Any money in excess of
5 the difference of two hundred thousand dollars minus any amount
6 previously used to provide temporary funding for aggregation
7 routing equipment and network transport costs for Network Nebraska
8 pursuant to section 86-5,101 remaining in the fund on July 1,
9 2008, shall be transferred to the Education Innovation Fund on such
10 date. Any money remaining in the School District Reorganization
11 Fund on July 1, 2010, 2013, shall be transferred to the Education
12 Innovation Fund on such date. Any money in the School District
13 Reorganization Fund available for investment shall be invested
14 by the state investment officer pursuant to the Nebraska Capital
15 Expansion Act and the Nebraska State Funds Investment Act.

16 Sec. 13. Section 79-1017.01, Reissue Revised Statutes of
17 Nebraska, is amended to read:

18 79-1017.01 Local system formula resources includes
19 retirement aid determined under section 17 of this act, allocated
20 income tax funds determined for each such district pursuant to the
21 provisions of section 79-1005.01 or 79-1005.02, and adjustments
22 pursuant to section 79-1008.02.

23 Sec. 14. Section 79-1023, Reissue Revised Statutes of
24 Nebraska, as amended by section 2, Legislative Bill 548, One
25 Hundred First Legislature, First Session, 2009, is amended to read:

26 79-1023 (1) On or before June 1, 2009, and on or before
27 February 1 of each year thereafter, the department shall determine

1 and certify to each school district the maximum general fund budget
2 of expenditures minus the special education budget of expenditures
3 for the immediately following school fiscal year.

4 ~~(2) For school fiscal years prior to 2008-09, no Class~~
5 ~~II, III, IV, V, or VI district shall increase its general fund~~
6 ~~budget of expenditures more than the local system's applicable~~
7 ~~allowable growth rate.~~

8 ~~(3) For school fiscal year 2008-09 and each school~~
9 ~~fiscal year thereafter, except (2) Except as provided in section~~
10 ~~79-1028.01, no school district shall have a general fund budget of~~
11 ~~expenditures minus special grant funds and the special education~~
12 ~~budget of expenditures more than the greater of (a) the product~~
13 ~~of the difference of the general fund budget of expenditures~~
14 ~~minus special grant funds and the special education budget of~~
15 ~~expenditures for the immediately preceding school fiscal year~~
16 ~~multiplied by the sum of one plus the local system's applicable~~
17 ~~allowable growth rate or (b) except as otherwise provided in~~
18 ~~subdivision (b)(ii) of this subsection, (i) the difference of one~~
19 ~~hundred twenty percent of formula need for such school fiscal year~~
20 ~~minus the product of the sum of one plus the basic allowable~~
21 ~~growth rate for such school fiscal year multiplied by the special~~
22 ~~education budget of expenditures as filed on the school district~~
23 ~~budget statement on or before September 20 for the immediately~~
24 ~~preceding school fiscal year or (ii) for school fiscal years~~
25 ~~2009-10 and 2010-11, the difference of one hundred sixteen and~~
26 ~~fifteen-hundredths percent of formula need for such school fiscal~~
27 ~~year minus the product of the sum of one plus the basic allowable~~

1 growth rate for such school fiscal year multiplied by the special
2 education budget of expenditures as filed on the school district
3 budget statement on or before September 20 for the immediately
4 preceding school fiscal year.

5 Sec. 15. Section 79-1028.01, Reissue Revised Statutes of
6 Nebraska, is amended to read:

7 79-1028.01 (1) For school fiscal year 2008-09 and each
8 school fiscal year thereafter, a school district may exceed its
9 maximum general fund budget of expenditures minus the special
10 education budget of expenditures by a specific dollar amount for:

11 ~~(1)~~ (a) Expenditures for repairs to infrastructure
12 damaged by a natural disaster which is declared a disaster
13 emergency pursuant to the Emergency Management Act;

14 ~~(2)~~ (b) Expenditures for judgments, except judgments
15 or orders from the Commission of Industrial Relations, obtained
16 against a school district which require or obligate a school
17 district to pay such judgment, to the extent such judgment is not
18 paid by liability insurance coverage of a school district;

19 ~~(3)~~ (c) Expenditures pursuant to the Retirement Incentive
20 Plan authorized in section 79-855 or the Staff Development
21 Assistance authorized in section 79-856;

22 ~~(4)~~ (d) Expenditures of incentive payments or base fiscal
23 year incentive payments to be received in such school fiscal year
24 pursuant to section 79-1011;

25 ~~(5)~~ (e) Expenditures of amounts received from educational
26 entities as defined in section 79-1201.01 for providing distance
27 education courses through the Educational Service Unit Coordinating

1 Council to such educational entities;

2 ~~(6)~~ (f) Either ~~(a)~~ (i) the first and second school fiscal
3 years the district will be participating in Network Nebraska for
4 the full school fiscal year or ~~(b)~~ (ii) school fiscal year 2008-09,
5 if the school district participated in Network Nebraska for all of
6 school fiscal year 2007-08, for the difference of the estimated
7 expenditures for such school fiscal year for telecommunications
8 services, access to data transmission networks that transmit data
9 to and from the school district, and the transmission of data on
10 such networks as such expenditures are defined by the department
11 for purposes of the distance education and telecommunications
12 allowance minus the dollar amount of such expenditures for the
13 second school fiscal year preceding the first full school fiscal
14 year the district participates in Network Nebraska; and

15 ~~(7)~~ (g) Expenditures to pay another school district for
16 the transfer of land from such other school district;—

17 (h) Expenditures in school fiscal years 2009-10 through
18 2013-14 to pay for employer contributions pursuant to subsection
19 (2) of section 79-958 to the School Retirement System of the
20 State of Nebraska to the extent that such expenditures exceed the
21 employer contributions under such subsection that would have been
22 made at a contribution rate of seven and thirty-five hundredths
23 percent; and

24 (i) Expenditures in school fiscal years 2009-10 through
25 2013-14 to pay for school district contributions pursuant to
26 subdivision (1)(b)(i) of section 79-9,113 to the Class V School
27 Employees Retirement System to the extent that such expenditures

1 exceed the school district contributions under such subdivision
2 that would have been made at a contribution rate of seven and
3 thirty-seven hundredths percent.

4 (2) For school fiscal year 2009-10 and each school fiscal
5 year thereafter, a school district may exceed its maximum general
6 fund budget of expenditures minus the special education budget of
7 expenditures by a specific dollar amount for expenditures for sums
8 agreed to be paid by a school district to certificated employees
9 in exchange for a voluntary termination occurring prior to July 1,
10 2009.

11 (3) The state board shall approve, deny, or modify the
12 amount allowed for any exception to the maximum general fund budget
13 of expenditures minus the special education budget of expenditures
14 pursuant to this section.

15 Sec. 16. For each of school fiscal years 2009-10 and
16 2010-11, the American Recovery and Reinvestment Act percentage
17 shall equal the amount of funding from the federal American
18 Recovery and Reinvestment Act of 2009 to be distributed through
19 the Tax Equity and Educational Opportunities Support Act for
20 such school fiscal year divided by the total equalization aid
21 to be distributed pursuant to the Tax Equity and Educational
22 Opportunities Support Act for such school fiscal year. For
23 each school district, the American Recovery and Reinvestment Act
24 allocation shall equal the equalization aid to be distributed to
25 the school district for such school fiscal year multiplied by
26 the American Recovery and Reinvestment Act percentage for such
27 school fiscal year. Such allocation shall only be distributed to

1 the school district upon approval by the Governor based on an
2 application submitted by the school district and shall be accounted
3 for and spent by the school district in accordance with the
4 application and the federal American Recovery and Reinvestment Act
5 of 2009. Such allocation shall not be considered a special grant
6 fund and shall be considered state aid for all purposes except
7 as otherwise provided in this section and the federal American
8 Recovery and Reinvestment Act of 2009.

9 Sec. 17. For school fiscal years 2009-10 and 2010-11, an
10 amount calculated by the department shall be paid to each school
11 district as retirement aid equal to the product of thirty million
12 dollars multiplied by the school district's salary percentage. The
13 school district's salary percentage shall equal the total salary
14 reported by the school district on the annual financial report
15 for the most recently available complete data year divided by the
16 total salary reported by all school districts in the state on the
17 annual financial report for the most recently available complete
18 data year.

19 Sec. 18. Section 79-1073, Reissue Revised Statutes of
20 Nebraska, is amended to read:

21 79-1073 On or before September 1 for each year, each
22 learning community coordinating council shall determine the
23 expected amounts to be distributed to each member school district
24 from general fund property tax receipts pursuant to subdivision
25 (2)(b) of section 77-3442 and shall certify such amounts to each
26 member school district and the State Department of Education.
27 For the first three school fiscal years for which the learning

1 community levies a common general fund property tax for school
2 districts, such property tax receipts shall be divided among
3 member school districts proportionally based on the greater of (1)
4 the difference of the school district's formula need calculated
5 pursuant to the Tax Equity and Educational Opportunities Support
6 Act minus the sum of the state aid certified pursuant to section
7 79-1022 and the other actual receipts included in local system
8 formula resources pursuant to section 79-1018.01 for the school
9 fiscal year for which the distribution is being made or (2) the
10 difference of the sum of the state aid certified for the school
11 fiscal year immediately preceding the first school fiscal year for
12 which the learning community levies a common general fund property
13 tax for school districts plus the product of the school district's
14 general fund levy for such school fiscal year multiplied by the
15 assessed valuation for such school fiscal year minus the state
16 aid certified pursuant to section 79-1022 for the school fiscal
17 year for which the distribution is being made. Thereafter, such
18 Such property tax receipts shall be divided among member school
19 districts proportionally based on the difference of the school
20 district's formula need calculated pursuant to section 79-1007.11
21 minus the sum of the state aid certified pursuant to section
22 79-1022 and the other actual receipts included in local system
23 formula resources pursuant to section 79-1018.01 for the school
24 fiscal year for which the distribution is being made.

25 Each time a learning community coordinating council
26 distributes property tax receipts to member school districts,
27 the amount to be distributed to each district shall be proportional

1 based on the total amounts to be distributed to each member school
2 district for the school fiscal year.

3 Sec. 19. Section 79-10,110, Reissue Revised Statutes of
4 Nebraska, is amended to read:

5 79-10,110 (1) After making a determination that an actual
6 or potential environmental hazard or accessibility barrier exists,
7 that a life safety code violation exists, or that expenditures
8 are needed for indoor air quality or mold abatement and prevention
9 within the school buildings or grounds under its control, a school
10 board may make and deliver to the county clerk of such county
11 in which any part of the school district is situated, not later
12 than the date provided in section 13-508, an itemized estimate of
13 the amounts necessary to be expended for the abatement of such
14 environmental hazard, for accessibility barrier elimination, or for
15 modifications for life safety code violations, indoor air quality,
16 or mold abatement and prevention in such school buildings or
17 grounds. The board shall conduct a public hearing on the itemized
18 estimate prior to presenting such estimate to the county clerk.
19 Notice of the place and time of such hearing shall, at least five
20 days prior to the date set for hearing, be published in a newspaper
21 of general circulation within the school district. The board shall
22 designate the particular environmental hazard abatement project,
23 accessibility barrier elimination project, or modification for life
24 safety code violations, indoor air quality, or mold abatement and
25 prevention for which the tax levy provided for by this section will
26 be expended, the period of years, which shall not exceed ten years,
27 for which the tax will be levied for such project, and the amount

1 of the levy for each year of the period.

2 (2) After a public hearing, a school board may undertake
3 any qualified capital purpose in any qualified zone academy under
4 its control and may levy a tax as provided in this section to
5 repay a qualified zone academy bond issued for such undertaking.
6 The board shall designate the particular qualified capital purpose
7 for which the qualified zone academy bond was issued and for which
8 the tax levy provided for by this section will be expended, the
9 period of years, not exceeding fifteen, for which the tax will be
10 levied for such qualified zone academy bond, and the amount of the
11 levy for each year of the period. The hearing required by this
12 subsection shall be held only after notice of such hearing has been
13 published for three consecutive weeks prior to the hearing in a
14 legal newspaper published or of general circulation in the school
15 district.

16 (3) After a public hearing, a school board may undertake
17 construction of a new public school facility or the acquisition
18 of land on which such a facility is to be constructed or any
19 expansion, rehabilitation, modernization, renovation, or repair of
20 any existing school facilities under its control and may levy a tax
21 to repay any type or form of bond for such undertaking permitted
22 by the American Recovery and Reinvestment Act of 2009. The board
23 shall designate the particular project or projects for which the
24 bond will be issued and for which the tax levy provided by this
25 section will be expended, the period of years for which the tax
26 will be levied to repay such bond, not exceeding thirty years or
27 such other period of years for the type of bond as permitted by the

1 American Recovery and Reinvestment Act of 2009, and the amount of
2 the levy for each year of such period. Prior to the public hearing,
3 the school board shall prepare an itemized estimate of the amounts
4 necessary to be expended for the project or projects. The hearing
5 required by the subsection shall be held only after notice of such
6 hearing has been published for three consecutive weeks prior to the
7 hearing in a legal newspaper published or of general circulation in
8 the school district. The bond to be issued under this subsection
9 may consist of any type or form of bond permitted by the federal
10 American Recovery and Reinvestment Act of 2009.

11 ~~(3)~~ (4) The board may designate more than one project
12 under subsection (1) of this section, more than one ~~or~~ qualified
13 capital purpose under subsection (2) of this section, or more
14 than one American Recovery and Reinvestment Act of 2009 purpose
15 under subsection (3) of this section and levy a tax pursuant
16 to this section for each such project, ~~or~~ qualified capital
17 purpose, or American Recovery and Reinvestment Act of 2009
18 purpose, concurrently or consecutively, as the case may be, if
19 the aggregate levy in each year and the duration of each such
20 levy will not exceed the limitations specified in this section.
21 Each levy for a project, a ~~or~~ qualified capital purpose, or an
22 American Recovery and Reinvestment Act of 2009 purpose which is
23 authorized by this section may be imposed for such duration as the
24 board specifies, notwithstanding the contemporaneous existence or
25 subsequent imposition of any other levy for another project, ~~or~~
26 qualified capital purpose or American Recovery and Reinvestment
27 Act of 2009 purpose, imposed pursuant to this section and

1 notwithstanding the subsequent issuance by the district of bonded
2 indebtedness payable from its general fund levy.

3 ~~(4)~~ (5) The county clerk shall levy such taxes, not to
4 exceed five and one-fifth cents per one hundred dollars of taxable
5 valuation for Class II, III, IV, V, and VI districts, and not to
6 exceed the limits set for Class I districts in section 79-10,124,
7 on the taxable property of the district necessary to (a) cover the
8 environmental hazard abatement or accessibility barrier elimination
9 project costs or costs for modification for life safety code
10 violations, indoor air quality, or mold abatement and prevention
11 itemized by the board pursuant to subsection (1) of this section
12 and (b) repay any qualified zone academy bonds or American Recovery
13 and Reinvestment Act of 2009 bonds pursuant to subsection (2) or
14 (3) of this section. Such taxes shall be collected by the county
15 treasurer at the same time and in the same manner as county taxes
16 are collected and when collected shall be paid to the treasurer of
17 the district and used to cover the project costs.

18 ~~(5)~~ (6) If such board operates grades nine through
19 twelve as part of an affiliated school system, it shall designate
20 the fraction of the project or undertaking to be conducted for
21 the benefit of grades nine through twelve. Such fraction shall
22 be raised by a levy placed upon all of the taxable value of
23 all taxable property in the affiliated school system pursuant to
24 subsection (2) of section 79-1075. The balance of the project or
25 undertaking to be conducted for the benefit of grades kindergarten
26 through eight shall be raised by a levy placed upon all of the
27 taxable value of all taxable property in the district which is

1 governed by such board. The combined rate for both levies in the
2 high school district, to be determined by such board, shall not
3 exceed five and one-fifth cents on each one hundred dollars of
4 taxable value.

5 ~~(6)~~ (7) Each board which submits an itemized estimate
6 shall establish an environmental hazard abatement and accessibility
7 barrier elimination project account, a life safety code
8 modification project account, an indoor air quality project
9 account, or a mold abatement and prevention project account, ~~and~~
10 each board which undertakes a qualified capital purpose shall
11 establish a qualified capital purpose undertaking account, within
12 the qualified capital purpose undertaking fund, ~~and each board~~
13 which undertakes an American Recovery and Reinvestment Act of 2009
14 purpose shall establish an American Recovery and Reinvestment Act
15 of 2009 purpose undertaking account. Taxes collected pursuant to
16 this section shall be credited to the appropriate account to cover
17 the project or undertaking costs. Such estimates may be presented
18 to the county clerk and taxes levied accordingly.

19 ~~(7)~~ (8) For purposes of this section:

20 (a) Abatement includes, but is not limited to, any
21 inspection and testing regarding environmental hazards, any
22 maintenance to reduce, lessen, put an end to, diminish, moderate,
23 decrease, control, dispose of, or eliminate environmental hazards,
24 any removal or encapsulation of environmentally hazardous material
25 or property, any restoration or replacement of material or
26 property, any related architectural and engineering services, and
27 any other action to reduce or eliminate environmental hazards in

1 the school buildings or on the school grounds under the board's
2 control, except that abatement does not include the encapsulation
3 of any material containing more than one percent friable asbestos;

4 (b) Accessibility barrier means anything which impedes
5 entry into, exit from, or use of any building or facility by all
6 people;

7 (c) Accessibility barrier elimination includes, but is
8 not limited to, inspection for and removal of accessibility
9 barriers, maintenance to reduce, lessen, put an end to, diminish,
10 control, dispose of, or eliminate accessibility barriers, related
11 restoration or replacement of facilities or property, any related
12 architectural and engineering services, and any other action to
13 eliminate accessibility barriers in the school buildings or grounds
14 under the board's control;

15 (d) American Recovery and Reinvestment Act of 2009 bond
16 means any type or form of bond permitted by the American Recovery
17 and Reinvestment Act of 2009;

18 (e) American Recovery and Reinvestment Act of 2009
19 purpose means any construction of a new public school facility
20 or the acquisition of land on which such a facility is to
21 be constructed or any expansion, rehabilitation, modernization,
22 renovation, or repair of any existing school facilities financed in
23 whole or in part with an American Recovery and Reinvestment Act of
24 2009 bond;

25 ~~(d)~~ (f) Environmental hazard means any contamination of
26 the air, water, or land surface or subsurface caused by any
27 substance adversely affecting human health or safety if such

1 substance has been declared hazardous by a federal or state
2 statute, rule, or regulation;

3 ~~(e)~~ (g) Modification for indoor air quality includes, but
4 is not limited to, any inspection and testing regarding indoor
5 air quality, any maintenance to reduce, lessen, put an end to,
6 diminish, moderate, decrease, control, dispose of, or eliminate
7 indoor air quality problems, any restoration or replacement of
8 material or related architectural and engineering services, and any
9 other action to reduce or eliminate indoor air quality problems
10 or to enhance air quality conditions in new or existing school
11 buildings or on school grounds under the control of a school board;

12 ~~(f)~~ (h) Modification for life safety code violation
13 includes, but is not limited to, any inspection and testing
14 regarding life safety codes, any maintenance to reduce, lessen,
15 put an end to, diminish, moderate, decrease, control, dispose of,
16 or eliminate life safety hazards, any restoration or replacement
17 of material or property, any related architectural and engineering
18 services, and any other action to reduce or eliminate life safety
19 hazards in new or existing school buildings or on school grounds
20 under the control of a school board;

21 ~~(g)~~ (i) Modification for mold abatement and prevention
22 includes, but is not limited to, any inspection and testing
23 regarding mold abatement and prevention, any maintenance to reduce,
24 lessen, put an end to, diminish, moderate, decrease, control,
25 dispose of, or eliminate mold problems, any restoration or
26 replacement of material or related architectural and engineering
27 services, and any other action to reduce or eliminate mold problems

1 or to enhance air quality conditions in new or existing school
2 buildings or on school grounds under the control of a school board;

3 ~~(h)~~ (j) Qualified capital purpose means (i)
4 rehabilitating or repairing the public school facility in
5 which the qualified zone academy is established, ~~or~~ (ii) providing
6 equipment for use at such qualified zone academy, or (iii)
7 constructing school facilities for which a build America bond is
8 to be issued;

9 ~~(i)~~ (k) Qualified zone academy has the meaning found in
10 26 U.S.C. 1397E(d) (4), as such section existed on ~~April 6, 2001;~~
11 January 1, 2009;

12 ~~(j)~~ (l) Qualified zone academy allocation means the
13 allocation of the qualified zone academy bond limitation by the
14 State Department of Education to the qualified zone academies
15 pursuant to 26 U.S.C. 1397E(e) (2), as such section existed on ~~April~~
16 ~~6, 2001;~~ January 1, 2009; and

17 ~~(k)~~ (m) Qualified zone academy bond has the meaning found
18 in 26 U.S.C. 1397E(d) (1), as such section existed on ~~May 8, 2001.~~
19 January 1, 2009.

20 ~~(8)~~ (9) Accessibility barrier elimination project
21 costs includes, but is not limited to, inspection, maintenance,
22 accounting, emergency services, consultation, or any other action
23 to reduce or eliminate accessibility barriers.

24 ~~(9)~~ (10) For the purpose of paying amounts necessary
25 for the abatement of environmental hazards, accessibility barrier
26 elimination, or modifications for life safety code violations,
27 indoor air quality, ~~or mold abatement and prevention,~~ or for an

1 American Recovery and Reinvestment Act of 2009 purpose, the board
2 may borrow money, establish a sinking fund, and issue bonds and
3 other evidences of indebtedness of the district, which bonds and
4 other evidences of indebtedness shall be secured by and payable
5 from an irrevocable pledge by the district of amounts received in
6 respect of the tax levy provided for by this section and any other
7 funds of the district available therefor. Bonds and other evidences
8 of indebtedness issued by a district pursuant to this subsection
9 shall not constitute a general obligation of the district or be
10 payable from any portion of its general fund levy.

11 ~~(10)~~ (11) The total principal amount of bonds for
12 modifications to correct life safety code violations, for indoor
13 air quality problems, ~~or~~ for mold abatement and prevention, or for
14 an American Recovery and Reinvestment Act of 2009 purpose which
15 may be issued pursuant to this section shall not exceed the total
16 amount specified in the itemized estimate described in ~~subsection~~
17 ~~(1)~~ subsections (1) and (3) of this section.

18 ~~(11)~~ (12) The total principal amount of qualified zone
19 academy bonds which may be issued pursuant to this section for
20 qualified capital purposes with respect to a qualified zone academy
21 shall not exceed the qualified zone academy allocation granted
22 to the board by the department. The total amount that may be
23 financed by qualified zone academy bonds pursuant to this section
24 for qualified purposes with respect to a qualified zone academy
25 shall not exceed seven and one-half million dollars statewide in a
26 single year. In any year that the Nebraska qualified zone academy
27 allocations exceed seven and one-half million dollars for qualified

1 capital purposes to be financed with qualified zone academy bonds
2 issued pursuant to this section, (a) the department shall reduce
3 such allocations proportionally such that the statewide total for
4 such allocations equals seven and one-half million dollars and
5 (b) the difference between the Nebraska allocation and seven and
6 one-half million dollars shall be available to qualified zone
7 academies for requests that will be financed with qualified zone
8 academy bonds issued without the benefit of this section.

9 Nothing in this section directs the State Department of
10 Education to give any preference to allocation requests that will
11 be financed with qualified zone academy bonds issued pursuant to
12 this section.

13 (13) The State Department of Education shall establish
14 procedures for allocating bond authority to school boards as may be
15 necessary pursuant to an American Recovery and Reinvestment Act of
16 2009 bond.

17 Sec. 20. Original sections 9-812, 77-3446, 79-1001,
18 79-1003, 79-1007.07, 79-1007.09, 79-1007.10, 79-1007.11,
19 79-1007.23, 79-1011, 79-1012, 79-1017.01, 79-1028.01, 79-1073,
20 and 79-10,110, Reissue Revised Statutes of Nebraska, and section
21 79-1023, Reissue Revised Statutes of Nebraska, as amended by
22 section 2, Legislative Bill 548, One Hundred First Legislature,
23 First Session, 2009, are repealed.

24 Sec. 21. The following sections are outright repealed:
25 Sections 79-1015 and 86-5,101, Reissue Revised Statutes of
26 Nebraska.

27 Sec. 22. Since an emergency exists, this act takes effect

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1 when passed and approved according to law.